

 <p><b>Financial Assistance Award</b></p> <p><b>DENALI COMMISSION</b>          510 L Street, Suite 410          Anchorage, Alaska 99501          (907) 271-1414 (phone)          (907) 271-1415 (fax)          www.denali.gov</p>		<b>Award Number</b>	01516-01																																																																													
		<b>Award Title</b>	Remote Power System Maintenance and Improvement Program																																																																													
		<b>Performance Period</b>	October 1, 2016 through December 31, 2018																																																																													
<b>Authority</b> 112 Stat 1854	<b>CFDA Number</b> 90.100	<b><u>Recipient Organization &amp; Address</u></b> Alaska Energy Authority 813 W Northern Lights Blvd Alaska Energy Authority  <b>Phone:</b> 907-771-3000 <b>Recipient DUNS #</b> 054072608 <b>TIN #</b> 926001185																																																																														
<b>Denali Commission Finance Officer Certification</b>																																																																																
<b><u>Cost Share Distribution Table</u></b> <table border="1" style="width: 100%; border-collapse: collapse; text-align: right;"> <thead> <tr> <th rowspan="2">Accounting Code</th> <th colspan="2">New Funding</th> <th colspan="2">Prior Period Funding</th> <th rowspan="2">Total</th> </tr> <tr> <th>Denali Commission</th> <th>Other Contributors</th> <th>Denali Commission</th> <th>Other Contributors</th> </tr> </thead> <tbody> <tr> <td>95670000</td> <td>\$200,000.00</td> <td></td> <td>\$348,776.00</td> <td></td> <td>\$548,776.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>State of Alaska</td> <td></td> <td>\$1,224,003.00</td> <td></td> <td>\$111,318.00</td> <td>\$1,335,321.00</td> </tr> <tr> <td>USEPA</td> <td></td> <td>(\$286,241.00)</td> <td></td> <td>\$286,241.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$200,000.00</b></td> <td><b>\$937,762.00</b></td> <td><b>\$348,776.00</b></td> <td><b>\$397,559.00</b></td> <td><b>\$1,884,097.00</b></td> </tr> </tbody> </table>					Accounting Code	New Funding		Prior Period Funding		Total	Denali Commission	Other Contributors	Denali Commission	Other Contributors	95670000	\$200,000.00		\$348,776.00		\$548,776.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	State of Alaska		\$1,224,003.00		\$111,318.00	\$1,335,321.00	USEPA		(\$286,241.00)		\$286,241.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00	<b>Total</b>	<b>\$200,000.00</b>	<b>\$937,762.00</b>	<b>\$348,776.00</b>	<b>\$397,559.00</b>	<b>\$1,884,097.00</b>
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<b>Signature of Authorized Official - Denali Commission</b>  Electronically Signed		<b>Typed Name and Title</b> Mr. Jay Farmwald Director of Programs		<b>Date</b>  08/31/2017																																																																												

# AWARD ATTACHMENTS

Alaska Energy Authority

01516-01

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1. Terms and Conditions
2. Attachment A
3. Budget and Funding Summary

***Financial Assistance Award 1516  
Between the Denali Commission and Alaska Energy Authority  
For Remote Power System Maintenance and Improvement Program  
Amendment 1***

All changes to the award conditions are noted below.

1. Change title of the Award to *Remote Power System Maintenance and Improvement Program*.
2. Replace the Original Attachment A to the FAA with the new Attachment A dated 12 July 2017.
3. Replace the Original Budget and Funding Summary with the new Budget and Funding Summary dated 12 July 2017.
4. Increase funding by \$200,000.

There are no other changes to the original Financial Assistance Award.

**Attachment A**  
**To**  
**Financial Assistance Award 1516-01**  
**Between the Denali Commission and Alaska Energy Authority**  
**For Remote Power System Maintenance and Improvement Program**

*July 12, 2017*

**Scope of Work**

Replace or repower existing non-certified diesel engines with newer, cleaner running engines. The engine repowers will replace antiquated mechanically governed prime power diesel gen sets with newer, more fuel-efficient Tier 2 and Tier 3 marine engines. Tier 2 and Tier 3 marine engines are equipped with electronically controlled governors and high pressure common rail fuel systems, which improves performance and reduces emissions. As many as eight engines in up to six communities have been identified for replacement. Refurbishments of ancillary remote power systems equipment and facilities will also be performed concurrent with the engine replacements or repowers.

Additionally, technical assistance will be provided to communities that request help with the Diesel Emission Reduction Act (DERA) tribal program.

**Deliverables**

- Complete functional repowered gen sets that are fully integrated into the existing power plant switchgear, and the fuel, exhaust, and cooling systems.
- Refurbished ancillary equipment and remote power system facilities.
- A final report detailing the entire project and outcomes.

**Budget**

See attached Budget and Funding Summary dated 12 July 2017.

Prior to proceeding with any repower or refurbishment activities for the yet to be determined communities, the Denali Commission Energy Program Manager and the AEA Project Manager shall meet to determine how the funding will be used. The results of that meeting will be documented in a memorandum that will be posted on the Commission's database.

**Delivery Method**

AEA will issue sub-recipient awards to the communities using a combination of DERA and Denali Commission grants as well as matching funds. The communities will competitively solicit for one or more experienced engineering firm(s) to prepare specifications, assist with material and engine procurement, integrate the electronically controlled engines into the existing power switchgear, and to provide technical support

on regulatory issues affecting diesel powered electrical generation facilities. AEA's project manager will oversee these awards and develop additional DERA projects for possible implementation with EPA or Volkswagen settlement funds. If requested, AEA's Rural Electric Utility Workers and Contract Administrator can assist the sub-recipients with start-up and commissioning and connection of the engines/generators.

### **Schedule**

Key project milestones are summarized below.

#### **FFY 2016 Work Plan Engine Repowers**

Task 1 – Design and Identify Specifications: January 30, 2017

Task 2 – Engine Procurement: March 30, 2017

Task 3 – Transportation: April 30, 2017

Task 4 – Installation and Commissioning: September 30, 2017

#### **FFY 2017 Work Plan Engine Repowers & Ancillary Upgrades**

Task 1 – Design and Identify Specifications: January 30, 2018

Task 2 – Engine Procurement: March 30, 2018

Task 3 – Transportation: April 30, 2018

Task 4 – Installation and Commissioning: September 30, 2018

Task 5 – Award Closeout: December 30, 2018

BUDGET						
Line	Item	Provided By	FFY 2016 Amount	FFY 2017 Amount	Total Amount	Basis/Notes
1	Planning and Support					
2	Project Management <sup>c</sup>	AEA	\$11,574	\$27,716	\$39,290	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017 +\$20,000 (200 hours @ \$100/hour) DC funds
3	Assistant PM	AEA	\$20,367	\$24,036	\$44,403	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
4	Rural Electrical Utility Worker (REUW)	AEA	\$18,372	\$12,248	\$30,620	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
5	Warehouse Coordinator/Contract Administrator	AEA	\$3,486	\$3,486	\$6,972	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
6	Fringe Benefits	AEA	\$25,689	\$19,465	\$45,154	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
7	PM & REUW Travel	AEA	\$18,600	\$24,500	\$43,100	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
8	Indirect Charges on EPA Funds	AEA	\$5,380	\$14,000	\$19,380	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017
9	DERA Program Engineering Support	Contractor	\$41,000	\$40,000	\$81,000	Gray Stassel Engineering
10	Regulatory Support	Contractor		\$60,000	\$60,000	400 hours @ \$150/hour
11	DERA Project Development	AEA		\$20,000	\$20,000	200 hours @ \$100/hour
12	Planning and Support Subtotal		\$144,468	\$245,451	\$389,919	
13	Execution					
14	Local Labor <sup>c</sup>	Community	\$89,959	\$100,000	\$189,959	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017, Includes \$7,221 of DC Funding
15	Freight <sup>c</sup>	Community	\$41,400	\$45,749	\$87,149	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017, Includes \$3,304 of DC Funding
16	Contractual <sup>c</sup>	Community	\$267,017	\$260,000	\$527,017	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017, Includes \$171,649 of DC Funding, for estimating indirect costs assume 3 Contracts for FFY2016 & 4 Contracts FFY2017
17	Material and Engines <sup>c</sup>	Community	\$247,365	\$240,000	\$487,365	FFY2016 AEA DERA Workplan Revised January 2017 & FFY2017 AEA DERA Draft Workplan Dated June 2017, Includes \$17,331 of DC Funding
18	Gen Set M&I <sup>c</sup>	Contractor	0	\$173,688	\$173,688	TBD, for estimating indirect costs assume one contract
19	Execution Subtotal		\$645,741	\$819,437	\$1,465,178	Includes: \$152,874 FFY16 & \$46,631 FFY17 DC Funding
20	AEA Indirect Costs on DC Funds <sup>a,b,d</sup>		\$0	\$29,000	\$29,000	10%of \$20,000 of Line 2 (FFY17)+10% of the first \$25,000 of Line 9 (FFY17)+10% of the first \$25,000 of Line10 (FFY17)+10% of Line 11(FFY17)+10% of the first \$25,000 of Line 16 x 7 contracts (3 FFY16 + 4 FFY17)+10% of the first 25,000 of Line 18.
21	Total		\$790,209	\$1,093,888	\$1,884,097	

**Additional Notes**  
a. AEA does not have a federally negotiated indirect rate; use the 10% de-minimus rate in 2 CFR 200.414  
b. Indirect Costs allowed on DC Supplemental Funding  
c. Line items to be supported with DC funds.  
d. FFY 2016 indirects amount is included in the FFY 2017 amount. See Basis/Notes for detail.

FUNDING						
Line	Source	Award or Reference			Amount	Notes
22	Denali Commission	1516			\$348,776	Original 1516 Award
23	Denali Commission	This Action			\$200,000	
24	Subtotal				\$548,776	
25	State of Alaska	1516			\$397,559	Original 1516 Award, via FFY 2016 DERA Grant + State Match
26	State of Alaska	This Action			\$896,762	Via anticipated FFY 2017 DERA Grant + State Match
27	State of Alaska	This Action			\$41,000	Previous investment in regulatory support
28	Subtotal				\$1,335,321	
29	Total				\$1,884,097	